

AMENDED IN SENATE APRIL 22, 1999

**SENATE BILL**

**No. 1050**

**Introduced by Senator Murray**

February 26, 1999

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~~An act relating to credit.~~ *An act to add Section 1785.11.5 to the Civil Code, relating to consumer credit.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1050, as amended, Murray. ~~Credit~~ *Consumer credit: home loans.*

*Existing law, contained in the Consumer Credit Reporting Agencies Act, authorizes consumer credit reporting agencies to furnish a consumer credit report only in specified circumstances.*

*This bill would require that, when a consumer credit reporting agency provides a consumer credit report in connection with a consumer's application for a home loan, the agency shall make specified written disclosures to the consumer regarding any credit scoring system used to assess the consumer's creditworthiness.*

~~Existing law generally regulates consumer credit reporting agencies, as specified.~~

~~This bill would provide that it is the intent of the Legislature to regulate any system used to determine the credit worthiness of a prospective purchaser of residential real estate for purposes of that purchase.~~

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

~~SECTION 1. It is the intent of the Legislature to regulate any system used to determine the credit worthiness of a prospective purchaser of residential real estate for purposes of that purchase.~~

*SECTION 1. Section 1785.11.5 is added to the Civil Code, to read:*

*1785.11.5. Each consumer credit reporting agency, upon furnishing a report to a lender in connection with an application by the consumer for a loan secured by the consumer's residence, shall provide a written disclosure to the consumer of the following:*

*(a) Whether the consumer's credit report was given to a credit scoring organization, or the consumer credit reporting agency applied its own scoring system, for the purpose of quantifying the consumer's relative creditworthiness and rating the consumer as a risk factor for the proposed residential loan.*

*(b) If applicable, the consumer's credit score determined pursuant to subdivision (a), the specific criteria applied to determine the score, a description of how scores are calculated, and a scale of credit scores.*